Social Value Creation

Our initiatives for Materiality create social value, leading to contribution to the Sustainable Development Goals (SDGs) by the Daiichi Sankyo Group of companies. We have organized our Purpose, Vision, Mission, and initiatives from the perspective of the social significance of the Group in order to visualize to what extent we have implemented such initiatives and created the social value to realize the Purpose.

With high expectations from society, the Group can make the greatest "contribution to the health of people around the world" which is linked to SDG Goal 3: "Ensure healthy lives and promote well-being for all at all ages." To this end, we will remain committed to Goals 9, 12, and 17. In addition to our endeavor to meet the growing societal demand for "contribution to environmental load reduction" in an effort to promote environmental management, we will work on Goals 5, 8, 10, and 16 as a corporate citizen to support business foundations.

Purpose: To contribute to the enrichment of quality of life around the world

2030 Vision: Innovative Global Healthcare Company Contributing to the Sustainable Development of Society

Continuously create innovative pharmaceuticals and provide pharmaceuticals addressing diverse medical needs

Related Materiality: Creating innovative pharmaceuticals, Providing a stable supply of top-quality pharmaceuticals, Providing the highest quality medical information, and Improving access to healthcare

We will continue to create advanced pharmaceuticals with the aim of establishing innovative treatment and prevention methods to improve human health and transform the standard of care. While considering the economic and market conditions in each country/region, we will approach and work together with stakeholders concerned to improve the availability of pharmaceuticals for patients with insufficient access and help people have better access to healthcare in developing countries. We are also striving to respond precisely in accordance with the regulations and risks in all countries and regions where we operate, in order to combat the issue of counterfeit pharmaceuticals.

For the contribution to SDG Goal 3, we will utilize our social and relationship capital through partnerships and open innovation to take advantage of our strengths in terms of Science & Technology.

We will adhere to the most stringent corporate and regulatory standards, including internationally recognized standards set by Good Manufacturing Practice (GMP) to guarantee the quality of our products, and work on their stable and reliable supply.

To achieve our goal of carbon neutrality by 2050 and, as a healthcare company, proactively reduce the environmental impacts of our business operations and implement advanced climate change countermeasures

Related Materiality: Promoting environmental management

As the impacts of environmental issues, we recognize that changes in the disease structure and concerns about the stable supply of medicines are risk factors for our long-term business foundations. We, as a responsible member of society, will work to reduce the environmental impact in our business activities and engage in environmental measures to build a sustainable society in an integrated manner with our business operations.

We are determined to contribute to Goals 5, 8, 10 and 16 through our Materiality on Business Foundations: "promoting compliance management," "corporate governance aimed at fulfilling our mission," and "promoting the success and development of a diverse range of individuals people who can create competitive advantages."

Promoting compliance management & Corporate governance aimed at fulfilling our mission

Pharmaceutical companies provide medicines that relate to the lives of people. Therefore, high ethical standards are required. Considering the relationship with a variety of stakeholders, compliance forms the foundation of our business activities across the Daiichi Sankyo Group of companies. Therefore, we promote management in which each of our employees behaves with high ethical standards, in addition to complying with applicable laws and regulations. Furthermore, based on the Business Partner Code of Conduct we have developed, we will promote sustainable procurement together with our business partners to execute our social responsibility.
We will also strive to create shared value with stakeholders so that we can realize highly transparent management and live up to the expectations of stakeholders.

Promoting the success and development of a diverse range of people who create our competitive advantages

Human rights is extremely important to our corporate activities and our stakeholders. Therefore, we are determined to observe applicable laws and regulations and focus on promoting respect for and adherence to human rights.
As all of our business operations are supported by human resources, we will continue to promote meaningful work and inclusion & diversity to create an environment where each and every employee can maintain high motivation, exercise their ability and cultivate their talent. Ultimately we aim to achieve mutual sustainable growth of employees and the Company.

Social Value Creation

Major Initiatives in FY2020

SDGs	Initiatives	Details of Initiatives in FY2020
3, 9, 17	Creating innovative pharmaceuticals	• Cancer treatment *Enhertu* granted conditional approval for HER2-positive breast cancer in EU, approval for HER2-positive gastric cancer in Japan and the United States, and breakthrough therapy designations for HER2-positive gastric cancer and non-small cell lung cancer with HER2 mutation • Exchanged quality assurance agreement with Syneos Health (contract research organization) under the new strategic alliance and monitored the quality of clinical trials by sharing quality issues in timely manner that may impair the safety, the protection of human rights of trial subjects and the reliability of clinical trial data, and promoted proactive quality assurance by ensuring and discussing the appropriateness of corrective and preventive actions • *YESCARTA* intravenous drip infusion, a human somatic cell processed product for treatment of patients with relapsed/refractory large B-cell lymphomas, granted marketing approval in Japan • Made application for marketing approval of oncolytic virus *G47Δ DELYTACT injection* for the treatment of malignant glioma in Japan • Promoted research and development of *VN-0200* as a vaccine to prevent RSV infection which still has no sufficient prevention/treatment methods • Provided investigational drugs with assured quality to homes and neighborhood facilities in Japan, the United States, and Europe to enable continuous treatment of patients who have difficulty in visiting hospitals due to the spread of infectious disease • Continued to examine the establishment of optimal molecular design to mass production methods by leveraging biotechnology toward continuous creation of innovative biologics • Commenced open innovation research on gene therapy for restoring vision with Mitsubishi UFJ Capital and Nagoya Institute of Technology • Started introduction of gene therapy manufacturing technology of Ultragenyx • Entered a research and development collaboration with LYSA-LYSARC-CALYM to study *valemetostat* in patients with relapsed/refractory B-cell lymphoma • Established an integrated data analysis platform that enables intercompany use of data to realize sustainable global partnerships from research and development to manufacturing • Started development of digital solutions in oncology by utilizing cross-sector partnerships • Promoted response to the Cartagena Protocol to handle the first recombinant vaccine (COVID-19 vaccine) in Japan; Acquired confirmation concerning containment measures to be taken in connection with Type 2 Use of Living Modified Organisms from the Ministry of Health, Labour and Welfare, becoming the first manufacturing site handling the vaccine to acquire said confirmation
3, 9, 12, 17	Providing a stable supply of top-quality pharmaceuticals	• Made capital investment to increase/streamline production facilities and strengthen/improve the efficiency of research and development. The capital expenditure in FY2020 was 40.1 billion yen. • Updated our business continuity plan (BCP) in line with functions and regional characteristics • Conducted a manufacturer investigation on raw material suppliers to confirm the traceability of 1,660 items manufactured by Group companies in Japan. Conducted a survey of assessment by business partners in about 180 companies to confirm their satisfaction with quality, cost, and delivery time • Launched a COVID-19 task force in Japan, and continued plant operation with stringent infection control measures in place. Achieved stable supply of all existing products • Met the Japan government's request to increase production of seasonal influenza vaccines (in excess of the initial plan) • Responded to the request to increase the production of MR vaccines (measles, rubella) in Japan in anticipation of the 5th regular vaccination and the Tokyo Olympics • Established a system to prevent "mix-up" of samples and products in the entire process flow (patient registration → apheresis*→ manufacturing → transport → storage → administration) and secured a stable supply system of top-quality pharmaceuticals for the launch *YESCARTA intravenous drip infusion* * Medical technology to separate and collect cellular components and liquid factors required in regenerative medicine • Promoted appropriate quality management in the process of manufacturing/quality control and distribution for pharmaceutical products by establishing quality standards complied with GMP (good manufacturing practice) and GDP (good distribution practice) based on the PIC/S Guide (FY2020 Results: No critical findings in 21 regulatory authority inspections across the Group companies) • Developed LCM drugs considering the usability of patients toward inhibition of unused medicines by improving medication compliance (*esaxerenone* OD tablets, *mirogabalin* OD tablets) • Launched generic products in dosage forms not available in brand name drugs by pursuing convenience such as easiness to take to support self-medication of patients and safety and security for healthcare professionals and caregivers
3, 17	Providing the highest quality medical information	• Established a quick search system which can integrate data of multiple clinical studies of *Enhertu* and CSR information (Safety Lake) in Japan, and promptly provided healthcare professionals with high quality safety information on such matters as the clinical courses of adverse reactions and the incidences of adverse reactions by patient background • Made presentations at scientific conferences in Japan and overseas, including clinical research data such as data from the observational study ANAFIE Registry targeting patients aged 75 and above with atrial fibrillation in Japan and clinical development study data of *Enhertu*. Actively submitted research papers to journals, with publication of the *Enhertu* DESTINY-Gastric01 study (a phase 2 study in patients with HER2-positive gastric cancer in Japan and South Korea) in The New England Journal of Medicine • Provided both real/digital information to respond to the needs of healthcare professionals that have become increasingly diverse due to COVID-19. Ranked No. 1 for six consecutive years in the survey results on MR evaluation in August 2020 and February 2021 for provision of patient instruction materials responding to customer needs in Japan • Ranked No. 1 for six consecutive years for overall satisfaction and No. 1 for eight survey items for five consecutive years in the external evaluation of insurance pharmacy/pharmacist call centers in Japan • Established an integrated data analysis platform system (OASIS) for the purpose of consistently performing hypothesis verification and new hypothesis creation using genetic information of patients, and made a presentation on the results of translational research analysis using the data of DESTINY-Breast01 in ASCO2020
3, 9, 17	Improving access to healthcare	• Made pharmaceutical applications by establishing application strategies in collaboration with AstraZeneca and supplied investigational products to countries where Daiichi Sankyo had no experience of supplying. • The DS-5670 project was selected for the "an urgent improvement project for vaccine manufacturing systems" of the Ministry of Health, Labour and Welfare (MHLW) and vaccine development program (company-initiated) by Japan Agency for Medical Research and Development (AMED) • Manufactured AZD-1222 in Japan as contract manufacturing of COVID-19 vaccine using existing manufacturing facilities in Daiichi Sankyo Biotech Co., Ltd. • Promoted a number of projects, including one to explore clinical candidate compounds for the treatment of Chagas disease, which is considered to be a neglected tropical disease (NTDs), and another to explore candidate anti-tuberculosis drugs from natural products, by utilizing the partnership with the Global Health Innovative Technology Fund (GHIT Fund). Launched screening projects for therapeutic drugs for malaria • Under the contract to participate in the AMR Screening Consortium led by the Global Antibiotic Research and Development Partnership (GARDP) in 2019 and performed screening with the aim of obtaining new compounds with antimicrobial activity using the compound libraries of participant companies

SDGs	Initiatives	Details of Initiatives in FY2020
3, 9, 17	Improving access to healthcare	• Made a decision to participate in and contribute US$20 million to the AMR Action Fund, which was established to support the clinical development of new antibiotics and to realize a sustainable antibiotics market (July 2020) • *Enhertu* granted Orphan Drug Designation (ODD) in the U.S. for the treatment of patients with HER2-positive gastric cancer • Obtained marketing approval for *YESCARTA* intravenous drip infusion (received designation as a regenerative medicinal product for rare diseases) in Japan, and made application for marketing approval of *DELYTACT* injection in Japan which received the same designation • Obtained the results of the phase 1/2 study of *DS-5141*, a nucleic acid drug, in patients with Duchenne muscular dystrophy • Non-exercise of patent rights in countries with difficulty in accessing drugs* * Sub-Saharan African countries (excluding Republic of South Africa), Least Developed Countries (LDCs) designated by the United Nations, and Low Income Countries (ILCs) designated by the World Bank • Provided mobile clinic services in Myanmar in collaboration with Plan International Japan, with reducing the mortality rate of newborns and infants younger than five years of age, improving the maternal checkup rate, etc., as KPIs (FY2019–FY2022) • Donated drugs to developing countries through non-profit organization AmeriCare. The total amount in FY2020 was US$12,542,952 (approx. 1.38 billion yen)
6, 7, 12, 13, 14, 15	Promoting environmental management	• Reduced CO_2 emissions with telematics that help prevent dangerous driving • Revised our electricity supplier selection process for all the operating sites, and evaluated both renewable energy generation capacity and immediate CO_2 emission factor of electricity operator • Started to use biomass plastic materials for some new product packaging • Used environmentally friendly FSC® certified paper for consumer healthcare products • Promoted the reduction of environmental loads during the drug substance manufacturing process by continuously evaluating environment, energy and other loads from the early stage of development to synthesis process as well as implementing green chemistry-oriented research • Saved resources through efforts such as the streamlining of resources used in manufacturing processes, the comprehensive separation of unnecessary and waste materials, and the reduction of the total volume of unnecessary and waste material. Chose waste disposal firms that recycle thoroughly. • Started to operate a solar system (3.3 megawatts of power output) at the Daiichi Sankyo Chemical Pharma Onahama Plant in December 2020. This system is one of the largest self-consumption photovoltaic systems in the pharmaceutical industry in Japan and is expected to reduce CO_2 emissions by approximately 1,800 tons per year. • Started to install a solar power system at the Daiichi Sankyo Europe Pfaffenhofen Plant • Conducted a scenario analysis to FY2030 based on climate change modelling. Derived our climate-related risks and opportunities from the analysis based on the TCFD Recommendations and reflected them in our environmental targets and plans under the current 5-year business plan. • Developed the Manual on Response to Meteorological Disasters (Torrential Rains, Typhoons, Etc.) That Are Anticipated to Cause Serious Damage to prepare for such disasters worsening in recent years
10, 12, 16	Promoting compliance management	• Newly established the Daiichi Sankyo Group Employee Code of Conduct and conducted a global training program on the Code • Conducted Compliance Awareness Surveys targeting all employees in Japan • Started the 2nd CSR Self-Assessment Survey for our major business partners • Introduced an IT system in Japan utilizes external risk data sources in order to quickly identify emerging risks of business partner immediately, and conducted internal training to promote understanding the business partner risk management system. • Established the Daiichi Sankyo Group Privacy Policy as our global basic policy on personal information protection • Established the Daiichi Sankyo Group Quality Policy with the aim of fostering a culture of "Quality First" in the Group and promoting compliance management in order to provide safe and effective pharmaceutical products and the highest quality medical information to people with diverse medical needs • As part of our efforts to minimize procurement compliance risks, we implemented SAP Ariba, a procurement purchasing system that visualizes a transaction process, to increase the transparency of transactions with business partners and further reinforce compliance in procurement
8, 16	Corporate governance aimed at fulfilling our mission	• Appointed Outside Director as Chairman of the Board of Directors of Daiichi Sankyo Co., Ltd. (DSC) • Provided the DSC Outside Directors with fuller information to promote their understanding and enable lively discussions at the Board of Directors • Enhanced the effectiveness of the DSC Board of Directors through the evaluation of the Board of Directors • Evaluated the effectiveness of the Audit & Supervisory Board • Established the information governance structure with the CIO responsible for digital strategy and the CISO responsible for information management at the top. Established related global policies: the Daiichi Sankyo Group Information Security Policy and the Daiichi Sankyo Group Data Governance Policy
5, 8, 9, 10	Promoting the success and development of a diverse range of people who create our competitive advantages	• Specified "Be Inclusive & Embrace Diversity" as one of the global Core Behaviors in the current 5-year business plan • Set a KPI target of 30% for the percentage of women in senior managerial employees (global) for FY2025. The percentage of women in managerial positions (DS Japan) increased to 7.3% overall in FY2020 (a 132.7% increase from the previous fiscal year). • Implemented e-learning programs for all the employees of Group companies in Japan in September 2020 to promote the understanding of LGBT. Revised an in-house system in October 2020 so that same-sex partners can receive support equivalent to that granted to legally married couples. Applied for the PRIDE Index 2020 organized by "work with Pride," a voluntary organization, for the first time in FY2020 and received the "Bronze" rating. • Held a career design seminar for all of our employees to cultivate the mindset to develop their career autonomously and continuously. To allow for individual career development, newly established a career support leave system to help employees gain experience and knowledge that are difficult to acquire through their work or experience something new. • Started the "DS Smart Work" initiative in Japan to identify methods of improving productivity and enhancing engagement of each person through reviewing work and ways of working toward the realization of the Group's vision and sustainable growth in the post-COVID-19 world • Expanded Japan telework system in terms of frequency and place of work in October 2020 to promote flexible ways of working without restrictions of time and place • Provided employee assistance in Japan based on a working conditions survey, conducted online health seminars and management trainings for managers, and other level of employees in Group companies in Japan to prevent decline in physical and mental health as well as workplace communication due to COVID-19